

March 10, 2010

ITEM NO. C2

RECOMMENDATION TO EXTEND CONTRACT NO. 5164 WITH HOLSTEN REAL ESTATE DEVELOPMENT CORPORATION TO PROVIDE COMMUNITY AND SUPPORTIVE SERVICES TO CABRINI GREEN RESIDENTS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners ("Board") authorize the Chief Executive Officer or his designee to extend Contract No. 5164 ("Contract") with Holsten Real Estate Development Corporation ("Holsten") for the period of April 1, 2010 through March 31, 2011, and to increase the Contract's funding by an amount not-to-exceed \$400,000, adding it to the carryover balance available at the end of the current contract term to provide community and supportive services ("CSS") to CHA residents residing at Parkside of Old Town ("Parkside").

FUNDING SOURCE:

Cabrini Green HOPE VI Grant

Contractor:	Holsten Real Estate Development Corporation 1333 N. Kingsbury, Suite 305
Contract No.:	5164
Original Contract Amount:	\$ 690,000
First One-Year Option Amount:	\$ 348,000
Second One-Year Option Amount:	\$ 550,000
First Extension Amount:	\$ 550,000
Second Extension Amount:	<u>\$ 400,000</u>
Total Contract Amount	\$2,538,000
Original Contract Period:	April 1, 2006 – March 31, 2007
First Option Period:	April 1, 2007 – March 31, 2008
Second Option Period:	April 1, 2008 – March 31, 2009
First Extension Period:	April 1, 2009 – March 31, 2010
Second Extension Period:	April 1, 2010 – March 31, 2011

M/W/DBE Participation:

Direct	MBE ____%	WBE ____%	DBE ____%
Indirect	MBE <u>15</u> %	WBE <u>7</u> %	DBE ____%
Waiver	<u>X</u> Yes/No		

Section 3:

1 (#) Hiring ____ (\$) Subcontracting ____ (\$) Other Economic Opportunities

EXPLANATION

On June 21, 2005 the Board authorized CHA to enter into a contract for redevelopment of Cabrini Green Extension North with Parkside Associates, LLC (“Parkside Associates” or “Development Team”). The Development Team is comprised of Holsten Real Estate Development Corporation (“Holsten”) and the Cabrini Green Local Advisory Council’s (“LAC”) Community Development Corporation. Parkside Associates is responsible for the overall redevelopment process of Parkside and is also responsible for preparing funding applications, obtaining financing, construction, and the coordination of community and supportive services (“CSS”).

In November 2005, pursuant to the CHA’s selection of the Development Team and the representations made in its proposal that Holsten would provide CSS for the new mixed income community, the Board authorized the CHA to negotiate and enter into a one-year contract with two (2) one-year options with Holsten to provide CSS for Cabrini Green residents desiring to move into Parkside. The Board authorized the first one-year option in March 2007 and the second one-year option in January 2008, continuing the provision of CSS to assist CHA families that have chosen to return to Parkside. In 2009, the Board approved an extension of the agreement to continue services to families leasing at Parkside. The CSS was designed to address the barriers a family may face in meeting the site specific criteria allowing them to return to Parkside.

In 2009, Holsten provided services to Cabrini families desiring to return to Parkside and completed the leasing of units to 107 families. The current extension request and additional funding will allow Holsten to continue providing post-occupancy services to those 107 families residing at Parkside. CSS will remain focused on assessment and service planning, case management and employment services. The post-occupancy services will include identifiable outcomes similar to those of the FamilyWorks program. CHA staff will monitor and perform quality assurance of the services provided through the review of monthly performance reports, quarterly monitoring visits and participant file reviews.

Based on the foregoing, it is in the best interest of the Chicago Housing Authority to authorize the Chief Executive Officer or his designee to extend Contract No. 5164 with Holsten to provide CSS in support of the redevelopment at Parkside for the period of April 1, 2010 through March 31, 2011 and to increase the Contract’s funding by an amount not-to-exceed \$400,000, adding it to the carryover balance available at the end of the current contract term.

RESOLUTION NO. 2010-CHA-34

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated March 10, 2010, entitled “RECOMMENDATION TO EXTEND CONTRACT NO. 5164 WITH HOLSTEN REAL ESTATE DEVELOPMENT CORPORATION TO PROVIDE COMMUNITY AND SUPPORTIVE SERVICES TO CABRINI GREEN RESIDENTS”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to extend Contract No. 5164 (“Contract”) with Holsten Real Estate Development Corporation for the period of April 1, 2010 through March 31, 2011, and to increase the Contract’s funding by an amount not-to-exceed \$400,000, adding it to the carryover balance available at the end of the current contract term to provide community and supportive services to CHA families residing in the Parkside of Old Town community.

